FDI in cigarette industry

3671. SHRI K. RAMA MOHANA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to permit foreign investment in cigarette industry to help Tobacco Farmers;

(b) if so, the steps taken in this regard; and

(c) the measures taken to draft a comprehensive policy on tobacco cultivation at an early date?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) and (b) No change is contemplated in the present practice of not permitting Foreign Direct Investment (FDI) in the tobacco sector.

(c) In order to maintain a balance between demand and supply in the market, the Tobacco Board regulates the production of Flue Cured Virginia tobacco after a careful assessment of the domestic and international requirements and the existing stock position. The trends in domestic and international tobacco production and consumption are also closely monitored in this regard.

Regulatory framework for SEZs

3672. SHRI P. PRABHAKAR REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a study conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI) has suggested the need to enact comprehensive legislation for providing necessary regulatory framework with regard to the Special Economic Zones (SEZ);

(b) if so, the details thereof and the reasons therefor;

(c) what is Government's reaction to the suggestion; and

(d) what other steps are proposed to be taken to finetune the SEZ Scheme so that these zones may act as facilitator of growth?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) and (b) A theme paper on "Driving Growth through Special Economic Zones" was presented by KPMG and FICCI before the International Convention on Special Economic Zones held on 21-22 March, 2002 at New Delhi organized by FICCI. The suggestions made in the theme paper *inter alia* include separate Central and State level Acts on SEZ to provide a stable policy framework.

(c) The SEZ policy is under constant review and the suggestions made in the theme paper would be kept in view appropriately.

(d) Some of the modifications proposed in the SEZ scheme include treating of supplies from domestic area to SEZ as physical exports, duty free importation and procurement of goods by SEZ developers/ SEZ units and enhancement of income-tax incentives available to SEZ developers/SEZ units.

FDI proposals for Punjab

3673. SHRI BALWANT SINGH RAMOOWALIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether any proposals for Foreign Direct Investments in Punjab have been submitted during 2001-2002 and 2002-2003 till date;

(b) if so, the details thereof, year-wise and Government's decisions taken thereon; and

(c) the details of the FDIs made in the State during the last two years, till date?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) to (c) Six Foreign Direct Investment (FDI) proposals involving an investment intent of Rs. 16.46 crore were approved during the period 1.4.2001 to 31.3.2002 for the State of Punjab. During the current financial year, no proposal for the State of Punjab has been received till date. In the last two financial years, *i.e.*, 2000-2001 and 2001-2002, a total number of 15 FDI proposals involving investment intentions worth Rs. 32.35 crore were approved. The information on